

From: Tom Owen
To: Microsoft ATR
Date: 1/16/02 11:40am
Subject: For Renata Hesse: MS settlement proposal comment

I write to comment on the proposed Microsoft settlement.

I am professionally concerned with computer operations. Microsoft software is of great importance to me because of that company's global dominance.

I am not a US citizen and my business does not operate in the US, nonetheless the terms of any settlement will have a profound effect on the way I work and the solutions I can offer my customers.

In summary:

- MS is known to use a dominant position to illegally suppress competition
- The settlement attempts to open competition by requiring MS to make technical interface information available to those who wish to create systems to run alongside MS systems
- The settlement allows MS to restrict access to this information to commercial organisations
- The currently available alternatives to MS systems (e.g. to MS file and print service, email service, web service, web browsers, operating systems and others) are not in any sense commercial organisations.
- MS will likely, given its record, use this exemption to deny interface information to these systems, its major competitors
- Interface information kept secret allows competitor products to be disabled
- The effect of the settlement will be to remove competitive pressures from MS and therefore cause harm to the consumer.

It's only really necessary to expand on the summary to say that the settlement has been written without an understanding of the current choices available to a software professional. It is striking how often the major competitors are produced by non-commercial organisations.

These systems are created and developed largely by unpaid

co-operatives of companies and individuals. This co-operation is made possible by licence agreements (open-source licences, most famously the Gnu Public Licence - GPL) which prevent any person from benefitting from the intellectual property in the text of the system's software. Though for-profit organisations may provide staff, resources and source code for such a system, the system itself and its support group (e.g. Samba, Mozilla, Open Office among others) is not a commercial organisation.

While such "free" software is supplied for no more than the cost of the media, it is not free in P&L terms. Just as with any software the effort of installing and setting up is substantial and for any organisation with salaries or limits on staff time this is a cost. MS software is popular because MS take care to minimise setup effort, regardless of create the consequences. By contrast "free" software setup can be daunting. I judge that the major "free" systems have costs in the same order as MS products, though there is often a substantial benefit in increased reliability and reduced licence administration. There is competition on features as well as cost.

Major examples where the major competitor to MS is developed by non-commercial groups include:

- Microsoft File and Print: Samba
- Microsoft NT: Linux + other applications e.g. Bind, ISC DHCP etc.
- Microsoft Exchange: Sendmail + Many mail clients
- Microsoft IIS: Apache

All of these systems work in environments in which MS components also work and because of MS desktop dominance this is a large part of their utility. Apache would not be a the most widely used web server if MS Internet Explorer could not access its sites. But this is only possible because the relevant interface standard (http/html in this case) is publically available. The same is true of all the systems and it is noticeable how Microsofts close hold of their inadequately documented MAPI mail server interface has inhibited development of alternative desktop clients for MS Exchange.

The proposed settlement would allow MS to deny necessary interface information to these major competitors. Over time this will destroy these systems and remove choice and the restraint which available and credible, competition imposes on MS prices.

Regards

Tom Owen

Director